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DAIRYMEN, HERE ARE FACTS ABOUT HOUSEHOLD MARKETS

Where are the dairyman's best markets for his products that go into meals at home?

Which dairy item figures biggest in the housewife's food budget? Is it whole milk? Cheese? Butter? Ice cream?

Is home production of dairy products used in home meals as important as it was in earlier years?

Are people spending as much on dairy products for at-home meals as they used to? What effect have margarine sales had on sales of butter for home meals?

Answers to these questions will enable you dairymen to understand better the market for your products. The Agricultural Marketing Service, United States Department of Agriculture, is trying to throw some light on those answers in the recent analysis of household dairy products consumption patterns, based on the 1955 Household Food Consumption Survey. It co-sponsored the survey with the Agricultural Research Service of the USDA.

All statements refer to conditions during the week of the survey, in the spring of 1955, unless otherwise indicated.

First Question: Where is the biggest household market for dairy products?

Answer: The North Central States, on the basis of the total amount spent for dairy products by households in each region.

Thirty-four percent of the money spent for dairy products for home meals was spent in the North Central States. The Northeast accounted for 32 percent, the South 21 percent, and the West 13 percent.

This comparison takes into account both the average expense of this item per household and the relative number of households in each region. For example, households in the West had about the same purchase rate as those in the North Central States but there were fewer households in the West; consequently the total amount spent there was less.

Nearly half the southern households were rural. People living in these households produced a large amount of the dairy products they consumed.

The Northeast and North Central States led as a market for fluid whole milk and the North Central States for butter. The South led in consumption of buttermilk and evaporated milk.

Farmers in the North Central States sold a little over half of all the milk marketed in this country—a great deal more than represented by all the dairy products purchased for home use in these States. The West appeared to be marketing and consuming about the same proportions of the total. The other regions did not produce as much as their residents purchased for home use.

Second Question: How important are dairy products in the housewife's food budget?

Answer: Quite important, though not as important as they used to be.

The survey showed that on an average almost 17 cents out of each dollar spent for home meals were spent on dairy products. Almost half of the 17 cents was spent for fluid whole milk.

Next in order of importance was ice cream, cheese, and butter. Add milk and the four items account for about 14 of those 17 cents.

Now the 17 cents apply both to households in general and to urban households separately. Farm households, taken separately—producing more of the dairy products they used—spent only about 14 cents.

But in the spring of 1948, according to an earlier ARS survey, the average urban household spent 19 cents of each at-home food dollar for dairy products. Why the drop to 17 cents in 1955?

One reason could be that retail prices of dairy products declined about 2 percent during those seven years, while prices of all food used at home increased 5 percent.

Other reasons might be: More people were taking meals away from home in 1955 than in 1948, there was a shift from butter to margarine, and a shift from home baking, which usually re-

quires milk, to heavier purchases of bakery products.

However, thanks to other reasons, the drop wasn't sharper. One is a slight but steady upward trend in the use of fluid whole milk. Others might be mounting sales of other dairy products lower in fat and higher in solids-not-fat, and the larger number of children in the 1955 urban households.

Third Question: Is home production as important as it used to be?

Answer: Definitely not, even in farm households.

The proportion of home-produced dairy foods in the total money value of all dairy products used by rural non-farm households dropped from 34 percent in 1942 to 8 percent in 1955. In farm households it dropped from 85 to 62 percent.

Fourth Question: What is the story about the use of margarine and butter?

Answer: Consumption of butter has gone down sharply since 1942, while consumption of margarine has increased. It looks as though this change may be even more significant in homes than in public eating places.

Back in 1942, it was generally true that people in higher incomes ate butter, while those in lower incomes used margarine.

However, rationing and higher butter prices during World War II encouraged use of margarine. Later came relaxation of legal restrictions on the sale of margarine.

Today, although butter is easily available at considerably lower than the postwar high price, and incomes are up, butter has apparently failed to recover its prewar share of the total table fat market among people with higher incomes.

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Cattle

A gradual improvement in fed cattle prices is likely through mid-summer. Marketings will run about as large as last year but will be more evenly distributed by months.

Prices of cows and stock cattle will depend largely on the weather. Normal spring rains probably would slow marketings of animals off grass. This would delay the seasonal decline in prices this spring.

Soybeans

Prices to farmers probably will average at about March levels and near support for the rest of the marketing year. Demand is strong but large supplies probably will prevent an increase in prices.

Feed Grains

Prices of corn have been running well below the support level. During the spring and summer, corn prices probably will rise less than last year and average lower. Prices of oats, barley, and sorghum grains have declined since January but remain higher than a year ago while high protein feeds have been near 1956 levels. Because of large supplies, soybean meal has been cheap compared with other feeds.

Potatoes

Heavy supplies are likely to keep prices relatively low the next couple of months. Storage stocks on March 1 were above a year earlier. The winter crop exceeded 1956 figures by 31 percent and the prospective acreage for the early spring crop is up 19 percent.

Eggs

Prices in the last half of 1957 are likely to average higher than a year earlier. Number of chicks hatched for laying flock replacement has been running well below the figures for early

1956. Although the cut later in the season may be less, not enough pullets will be on hand next fall to keep egg production up to 1956 levels.

Through the spring, egg prices are likely to continue below a year ago.

Farm Income

Sales of farm products returned about \$4.5 billion to farmers in the first 2 months of 1957, slightly more than in the same 2 months of last year. The volume sold was a little smaller but prices averaged 4 percent higher.

Hogs

Marketings will continue below a year ago for some time but will gradually catch up as 1957 progresses. This indicates prices will stay above 1956 levels until late in the year when they are likely to be near or a little below a year earlier.

Turkeys

Producers will boost production above 1956 by more than the 10 percent planned earlier this season, according to reports on poult hatchings so far. The 1956 crop of 76 million was a record. Storage supplies of turkeys from last year's crop also are large—a record 75 million pounds on February 1.

Broilers

Not much change in prices is likely the next few months. Placements of broiler chicks have been high and probably will rise further the next few months. But demand also is likely to strengthen seasonally as summer approaches.

Last year broiler producers turned out 1.3 million birds, almost a fourth more than in 1955 and prices fell to the lowest level in 15 years. Continued increases in output in the face of low prices is probably due to increased integration of production and marketing and lower production costs.

GROWERS INTEND TO CUT CROP ACREAGE IN 1957

March 1 planting intentions for spring crops and decreased seedings of crops in the fall of 1956 are shaping for 1957 the smallest total national planted crop acreage in almost 40 years.

Tentative overall figure for 59 crops planted or grown would be 334 million acres. This would be 12 million acres less than in 1956.

By far the largest single factor in the 1957 crop acreage picture is the amount of acreage which growers will plant this year in 16 major spring crops (not including cotton).

March Intentions Acreage

On the basis of the recently released March 1 Intentions Report this would be about 277 million acres, 2 million acres less than planted in these crops in 1956.

However, in attempting to arrive at a year's crop acreage total, the U. S. Department of Agriculture also takes into consideration the planted acreage of winter wheat as estimated December 1, 1956, the allotted acreage for cotton less reduction for the Soil Bank and allowances for crops not covered in early surveys.

Naturally, March 1 planting plans are often changed before drills roll over freshly worked ground. Weather still has much to say about success.

It's also true that on March 1 some farmers were still undecided how they could best utilize the allotment and Soil Bank programs. Finally, late changes in programs for specific crops may affect the final acreage planted.

Nonetheless, the March Intentions Report shows rather clearly the Nation's agricultural prospects for 1957.

Total feed grain acreage is estimated at 160 million acres. This much acreage should produce large feed tonnage, unless yields are materially reduced.

The total feed grain acreage prob-

ably will be slightly higher than in 1956 because anticipated reductions in corn and oats are likely to be offset by increases in barley and sorghums.

If corn acreage falls a little short of 75 million acres, as anticipated, this would be the lowest figure in about 70 years—and 70 years ago the population was considerably smaller. The anticipated figure would be 5 percent under that for 1956, which saw the second largest corn crop of record.

Oats acreage, including fall seedings, seems likely to be the smallest in 4 years. Decreases are anticipated in most leading producing States.

Barley seedings, fall plus spring, are likely to exceed last year's by 9 percent. This should result in the second highest barley acreage in 14 years.

Sorghum acreage for all purposes seems headed for a spurt to new records. The 1957 acreage is likely to exceed 1956 by 23 percent. Large increases appear likely in the Great Plains States, the leading sorghum producers.

Spring wheat plantings are expected to be the smallest in 38 years of recorded estimates of seeded acreage.

The anticipated 12.8-million-acre spring wheat total would be 21 percent smaller than the 1956 figure and 35 percent below average. Prospective decreases are sharpest for Montana, Oregon, Idaho, and Washington.

Durum plantings may be fully 33 percent below those of 1956. Heaviest reductions are planned in North Dakota and Montana unless the durum allotment program is liberalized.

Total Wheat Acreage

Counting in 36.8 million acres of winter wheat, estimated December 1, 1956, the 1957 all-wheat planted acreage would be 49.6 million acres. This would be the smallest acreage since World War I.

Largely because of the Soil Bank Program, rice plantings apparently will be 10 percent under the 1956 figure.

Less hay acreage may be cut this year than in any of the past 9 years. Stockmen in many sections sold down on cattle numbers during the past year because of short feed or for other reasons. Therefore they now need less hay.

In drought-stricken Texas and Oklahoma, however, better spring moisture is favoring plans to cut more hay in the coming season.

Soybeans, it is indicated, will be planted on nearly 23 million acres in 1957. This will be the eighth consecutive year in which soybean acreage has set a new record.

During those 8 years, soybean acreage has nearly doubled. This year's probable acreage would be 4 percent higher than that of 1956. Biggest gains seem likely in Illinois, Minnesota, Iowa, and Arkansas.

Flaxseed acreage seems likely to be about the same as in 1956. This anticipates that an increase in North Dakota will offset decreases in South Dakota, Minnesota, Montana, and California.

Sugar Beet Prospects

Sugar beet plantings are likely to be larger than in 1956 in all States and to exceed 1956 acreages by 10 percent. Considerable tobacco acreage is going into the Soil Bank Acreage Reserve. Relatively heavy allotment cuts were made for 1957 in dark tobaccos. Total tobacco acreage is likely to be down about one-sixth from last year.

Peanut acreage is intended to be only slightly smaller than in 1956 with increases in Texas almost offsetting decreases elsewhere.

Sweetpotato acreage is expected to decline slightly to its lowest point in many years.

A slight total acreage gain is anticipated for dry beans because of increases in Michigan and California. Dry pea acreage in Idaho and Washington is likely to be reduced slightly.

"Bert" Newell's **Letter**

I grew up with the idea that counting your chickens before they hatch is dangerous business. Whenever I got to speculating too much, my father would come up with that homespun "beatitude"—"Blessed am dem what specs nothin' 'cause they never will be disappointed." Whatever name you call it, forecasting, prognosticating, speculating, or just plain guessing, everybody indulges in some kind of process to try to figure out what's going to happen. Whether it is dangerous, depends on how good a basis you have for your forecasting and what you do with it.

I got to thinking about this because the poultry people want a report of breeders' production of eggs that are used to produce the pullets that will lay the eggs that will produce the broilers. Sounds complicated, and it is, but if it can be done, it would provide producers of broilers time to adjust production and avoid the heavy losses from periodic overproduction and underproduction.

This sort of thing isn't new to us. A lot of people want early information that will provide guideposts to help in planning production, marketing, and distribution. This month's report of "farmers' intentions to plant," is the oldest such report we issue. Among others, there are reports of the cattle on feed, breeding intentions, and sows farrowing. The fruit growers want information on nursery stock and new plantings that will indicate production trends years ahead.

I wonder what father would say if he knew that the poultry producers are now trying to count their chickens before the mamas of those chickens are hatched. It will be a pretty good deal if we can do it and the Chief of our Livestock and Poultry Branch thinks it's worth a trial.



S. R. Newell
Chairman, Crop Reporting Board, AMS

BETTER WHEAT STANDARDS SHOULD HELP GROWERS

Wheat growers, among others, should benefit from changes in the U. S. Department of Agriculture official standards, effective June 15.

The new standards reduce the amount of foreign material, shrunken and broken kernels, and wheats of other classes permitted in the numerical grades of each class of wheat. This is done to maintain the quality of the wheat as it moves in commerce.

Another purpose is to measure more accurately the quality of wheat being marketed. If more of the wheat you sell is better wheat, then you are in a position to ask for a better price.

USDA studies indicate that very little of the wheat produced and marketed at country points will be given a lower grade than it had had previously.

Such major farm groups as the American Farm Bureau Federation, the Association of National Wheat Growers, and the National Grange favor the improved standards.

Left unchanged are the limits of moisture for the special grade "tough wheat," the definition of sample grade, the expressing of dockage in whole percents, and the methods of evaluating smutty wheat.

All that the technical language in the standard changes means is simply that it will now take a better kind of wheat to qualify in the three top grades.

For example, the amount of foreign material in Grade 2 wheat (generally the basic contract grade) now cannot exceed 1 percent. It used to be 2 percent.

Now, as a practical matter, how will these improved standards be of help to you?

In the first place, improving your wheat to meet the new requirements in the hope of a bigger cash return won't require additional expensive equipment.

Probably you won't have to make any changes at all. In a few cases, perhaps

it might be advisable to adjust your combine slightly so that it will clean better.

Suppose, now, that for years you have been selling at a country elevator where you have been paid primarily for the amount of wheat without too much close check into its quality.

With the new standards in effect and a more accurate means of measuring the quality of your wheat available, this arrangement may no longer be so advantageous to you if you are sure you produce high quality wheat.

One way to translate that good quality into dollars and cents for you would be to sell on the basis of official inspection.

If grain inspection service is not available at that particular point, a sample of your lot agreed upon by you and the buyer can be sent to the nearest inspection office for grading. This service is not free but if it proves the high quality of your wheat, it leaves you in a position to ask for a higher return for it.

The changes regarding wheats of other classes are primarily planned to give both your customer at the grain elevator and his customer at mills or feed plants or abroad a better idea of the kind of wheat each is buying.

For example, under the new standards, Grade No. 2 wheat of any class cannot contain more than 5 percent of wheats of other classes. This has been reduced from 10 percent.

The appearance and baking quality of the subclass Hard Winter Wheat was generally improved by requiring that the amount of dark, hard, and vitreous kernels it contains be not less than 40 percent.

These changes may make American wheat more acceptable abroad. Furthermore, it should discourage production of wheats not fully adapted to the areas in which they are grown.

POTATO GROWERS INTEND TO EXCEED USDA GUIDES

Potato production will approximate 226 million hundredweight in 1957, if growers carry out their announced planting intentions and average yields are obtained. This would be 6 percent more potatoes than the 212.6 million hundredweight which the U. S. Department of Agriculture estimates in its acreage guide would be ample to meet all 1957 needs.

Fortunately, growers still have time to make changes in their late summer and fall acreages which usually comprise more than 80 percent of the country's annual production. It is too late to do anything about the winter, early spring, late spring, and early summer crops of 1957.

If growers continue to maintain or increase acreage in specialized and high yielding areas, future crops may be too large to be marketed at a satisfactory profit. For example, in 1954 sales from the crop of 220 million hundredweight were valued at \$395 million. But the previous year, sales from the large crop of 232 million hundredweight brought in only \$252 million, or \$143 million less.

Here are the exact figures on the late summer and fall crops, so that you growers can see exactly what the situation amounts to:

As of March 1, growers of these crops reported their intentions of planting 1,067,600 acres of potatoes in 1957. This would be only 2 percent less than the 1,084,000 acres planted in 1956.

If the 1957 intended acreage is planted and if average yields are obtained, production of the late summer and fall crops is likely to be about 180 million hundredweight.

USDA in announcing acreage guides estimated that 171.6 million hundredweight of late summer and fall potatoes would be ample to meet market needs for the coming season.

This means that the intended acreage for late summer and fall crops would have to be reduced approxi-

mately 5 percent, to meet the USDA estimate of needs.

However, this does not take into consideration the actions of growers of other 1957 potato crops.

Growers of winter potatoes have planted 35 percent more acreage than in 1956. They have harvested a crop 31 percent above that in 1956. Growers in the early spring States have planted an acreage 17 percent above that of 1956.

Growers in the late spring States have about completed the planting of 166,000 acres—if they followed their intentions reports of January 1. This would be 3 percent above the plantings last year.

Next, intentions for the early summer crop, as reported in February, would be 105,400 acres, 4 percent above the acreage planted in 1956.

Finally, unless the large storage stocks of March 1 are marketed rapidly, growers of early and late spring potatoes will be faced with stronger competition than in the spring of 1956.

Oakley M. Frost
Agricultural Estimates Division, AMS

Early Lamb Crop Down 1 Percent

The early lamb crop in the principal producing States is estimated to be about 1 percent less than in 1956.

Most of the drop was in the two leading early lamb States, Texas and California, where breeding ewe numbers January 1 were down 11 and 6 percent, respectively. Ewe numbers were down in several other important early lamb States.

A slightly lower lambing percentage also contributed to the fewer early lambs. On the other hand, the percentage of ewes lambing early is above that of last year.

UNITED STATES
DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE
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OFFICIAL BUSINESS

Chicks Placed

Approximately 1¼ billion broiler chicks were placed in 1956 in 22 important broiler producing States covered by weekly chick placement reports, according to the Crop Reporting Board. Georgia led with nearly 245 million chicks. Other leading States, in order, were Arkansas, Texas, North Carolina, Delaware, Alabama, Maryland, and Virginia.

Farmers' Prices

(1910-14=100)

Date	Prices received by farmers	Parity index ¹	Parity ratio
March 1956----	228	281	81
February 1957--	234	294	80
March 1957----	237	295	80

¹ Index of prices paid, interest, taxes, and wage rates.

Farmer's Share of Consumer's Food Dollar

January 1956-----	39 percent
December 1956-----	40 percent
January 1957-----	40 percent

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